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Gabriela P. Cacuci (GC-4791)

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

RANDALL'S ISLAND FAMILY GOLF  
CENTERS, INC., et al.,

Case Nos. 00 B 41065  
through 00 B 41196 (SMB)

Debtors.

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**STATEMENT OF CURE AMOUNT OF THE CITY OF NEW YORK  
DEPARTMENT OF PARKS AND RECREATION**

Pursuant to this Court's Order dated January 23, 2001 inter alia, Authorizing and Scheduling An Auction For the Sale of the Debtor's Assets and Establishing a Deadline For Submission of Cure Amounts and Other Material Information With Respect to Such Certain Leases to be Sold (the "Order") and the hearing held on January 19, 2001, the City of New York Department of Parks and Recreation (the "City"), by its counsel, Michael D. Hess, Corporation Counsel of the City of New York, respectfully states as follows:

1. The City has three license agreements with the Debtors: the Randall's Island License Agreement, the Alley Pond License Agreement and the Dreier-Offerman License Agreement (hereinafter, the "City Concessions"). Even though the Debtors' counsel represented at the January 19, 2001 hearing that the Dreier-Offerman License Agreement was not part of the

pool of assets to be auctioned on February 9, 2001, such license agreement has not been formally rejected under § 365(a) of the Bankruptcy Code. Since an order formally rejecting the Dreier-Offerman License Agreement may not be entered prior to February 6, 2001, i.e., until after the January 29, 2001 deadline for service and filing of the cure statement, the cure statement includes the arrears that will have to be cured in the event of assumption and assignment of the Dreier-Offerman License Agreement.

2. The background and the terms of the City Concessions have been detailed in the City's prior filings in these cases, including the City's January 18, 2001 Objection to the Debtors' motion for an Order authorizing the sale of all of its remaining assets. Such background is incorporated herein by reference.

3. As reflected in the Schedule of Outstanding Amounts Payable to the City annexed as Exhibit A and the records attached thereto<sup>1</sup>, the cure amount that would have to be paid the City prior to any assumption and assignment of the Randall's Island License Agreement is \$184,670.00. This amount consists of \$34,670.00 in unpaid pre-Petition license fees and \$150,000.00 representing the security deposit used but not replenished.<sup>2</sup>

4. The cure amount that would have to be paid the City prior to any assumption and assignment of the Alley Pond License Agreement is \$93,064.52, consisting of (i)

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<sup>1</sup> Copies of Exhibit A were provided to the parties required to receive notice of this Cure Statement but will not be electronically filed.

<sup>2</sup> The City has advised me that Family Golf had defaulted pre-Petition by failing to make the April 15, 2000 quarterly payment in the amount of \$143,233.43. As a result, the City had to draw down on the \$150,000.00 letter of credit serving as security. I was also advised by my client that Family Golf had made a subsequent post-Petition payment of \$98,988.33 for the accrued post-Petition period (May 5-June 15, 2000), but that despite this payment, an unpaid pre-Petition balance of \$34,670.00 remains due and payable to the City.

\$83,333.33 in license fees for the month of February, 2001 which will become due prior to the February 9, 2001 auction of the Debtors' assets, (ii) \$1,666.67 in late fees in connection with the January, 2001 license fee payment which was due on January 1, 2001 but was not received until January 18, 2001, and (iii) \$8,064.52 representing the shortfall in the security deposit which is presently in the amount of \$241,935.48, instead of \$250,000.00 as a result of the Debtors' making of a partial payment in the amount of \$75,268.81, instead of a full payment of \$83,333.33, for the May, 2000 license fee as a consequence of the Debtor's Chapter 11 filing on May 4, 2000 (the "Petition Date").

5. The cure amount that would have to be paid the City prior to any assumption and assignment of the Dreier-Offerman License Agreement is \$1,533,334.00 consisting of monthly license fees which were due and payable to the City in the amount of \$66,674.00 for the months of April, 1999 and April, 2000, and monthly license fees in the amount of \$66,666.00 for the months of May, 1999 through and including March, 2000 and the months of May, 2000 through and including February, 2001.

6. The City reserves its right to assert any and all other claims against the Debtors arising out of or relating to the City Concessions, including, without limitation, claims for (i) post-Petition license fees due after February 1, 2001 and any late charges relating thereto; (ii) pecuniary losses suffered by the City as a result of the Debtors' pre-Petition and post-Petition defaults under the City Concessions, including, but not limited to, year 2000 percentage fees owed under the Randall's Island License Agreement and the Alley Pond License Agreement, attorneys' fees and costs and expenses incurred as a direct result of these Chapter 11 cases, the Debtors' defaults under the City Concessions and the Debtors' auctioning of the assets; (iii) rejection claims under § 502(b)(6) with respect to monetary and non-monetary defaults, which

are hereby expressly reserved consistent with the Court's ruling at the January 19, 2001 hearing; and (iv) non-monetary defaults and unliquidated damages which the City is not yet in a position to calculate or of which the City may not be presently aware.

7. The City reserves its rights to update or amend this Cure Statement until such time as Court approval is sought for the assumption and assignment of any of the City Concessions.

8. The City further reserves its rights to supplement its prior Objection to the auction with respect to the assignability of the City Concessions, the identity or qualifications of a proposed assignee of any of the City Concessions, or any other issues pertaining to the auction of the assets, presently scheduled to be heard by the Court on February 14, 2001 and February 16, 2001.

WHEREFORE, subject to the City's existing Objection, as it may be supplemented prior to the February 14, 2001 and February 16, 2001 hearings with respect to the assignability of the City Concessions or any other issues, the assumption and assignment of any of the City Concessions must be conditioned upon the Debtors' and/or assignees' payment prior to the assumption and assignment, as required by § 365(b)(1) of the Bankruptcy Code, of the cure amounts set forth herein.

Dated: New York, New York  
January 26, 2001

MICHAEL D. HESS  
Corporation Counsel of the City of New York  
Attorney for the City of New York  
Department of Parks and Recreation  
100 Church Street, Room 6-133  
New York, New York 10007  
(212) 788-0843

By: /s/ Gabriela P. Cacuci  
Gabriela P. Cacuci (GC 4791)  
Assistant Corporation Counsel

CERTIFICATION OF SERVICE

I, Gabriela P. Cacuci, an attorney admitted to practice before the courts of the State of New York, do hereby certify that on January 26, 2001, I caused to be served true copies of the Cure Statement of the City of New York Department of Parks and Recreation by overnight mail for next day business delivery on the parties indicated below as “overnight mail”, and that on January 29, 2001, I caused to be served true copies of the Cure Statement of the City of New York Department of Parks and Recreation by hand delivery on the parties indicated below as “hand delivery” with instructions that such delivery be made prior to 3:00 p.m. on January 29, 2001:

FAMILY GOLF CENTERS, INC. (By overnight mail)  
538 Broadhollow Road, Suite 410E  
Melville, New York 11747  
Attn: Mr. Philip J. Gund  
Fax: (631) 694-1935

GOLENBOCK, EISMAN, ASSOR & BELL (By hand delivery)  
437 Madison Avenue  
New York, New York 10022  
Attn: Jonathan L. Flaxer, Esq.  
Fax: (212) 907-0777

OFFICE OF THE UNITED STATES TRUSTEE (By hand delivery)  
33 Whitehall Street, 21<sup>st</sup> Floor  
New York, New York 10004  
Attn: Brian Shoichi Masumoto, Esq.  
Fax: (212) 668-2255

BERLACK, ISRAELS & LIBERMAN LLP (By hand delivery)  
120 West 45<sup>th</sup> Street  
New York, New York 10036  
Attn: Edward S. Weisfelner, Esq.  
Fax: (212) 704-0196

MORGAN, LEWIS & BOCKIUS  
101 Park Avenue  
New York, New York 10178-0060  
Attn: Richard S. Toder, Esq.  
Fax: (212) 309-6273

(By hand delivery)

KEEN REALTY CONSULTANTS, INC.  
60 Cutter Mill Road, Suite 407  
Great Neck, New York 11021-3104  
Attn: Harold J. Bordwin, President  
Fax: (516) 482-5764

(By overnight mail)

Dated: New York, New York  
January 29, 2001

/s/ Gabriela P. Cacuci  
GABRIELA P. CACUCI (GC-4791)